



[Home](#) › [Statistics](#) › [Economy](#) › [Price indexes and inflation](#) › [Wage Price Index, Australia](#) › December 2021



This is not the latest release

[View the latest release](#)

Wage Price Index, Australia

The WPI measures changes in the price of labour, unaffected by compositional shifts in the labour force, hours worked or employee characteristics

Reference period December 2021

Released 23/02/2022

On this page

[Key statistics](#)

[What's new this quarter](#)

[Overview](#)

[Sector wage growth](#)

[Drivers of wage growth](#)

[Industry wage growth](#)

[State and territory wage growth](#)

[Survey impacts and changes](#)

[Data downloads](#)

[Using price indexes](#)

[Methodology](#)

[Media releases](#)

Key statistics

In December quarter 2021 the seasonally adjusted WPI:

- Rose 0.7% this quarter and 2.3% over the year.
- The private sector and the public sector both rose 0.7%.

Wage Price Index (WPI) Total hourly rates of pay excluding bonuses

	Sep Qtr 2021 to Dec Qtr 2021 % change	Dec Qtr 2020 to Dec Qtr 2021 % change
Trend(a)		
Australia	na	na
Private sector	na	na
Public sector	na	na
Seasonally Adjusted(b)		
Australia	0.7	2.3
Private sector	0.7	2.4
Public sector	0.7	2.1
Original		
Australia	0.6	2.3
Private sector	0.6	2.4
Public sector	0.7	2.1

a. na - not available. See Suspension of the trend series (in Survey impacts and changes)

b. See Interpretation of index numbers, Seasonally adjusted indexes and Seasonal analysis on the Methodology page

What's new this quarter

This issue includes:

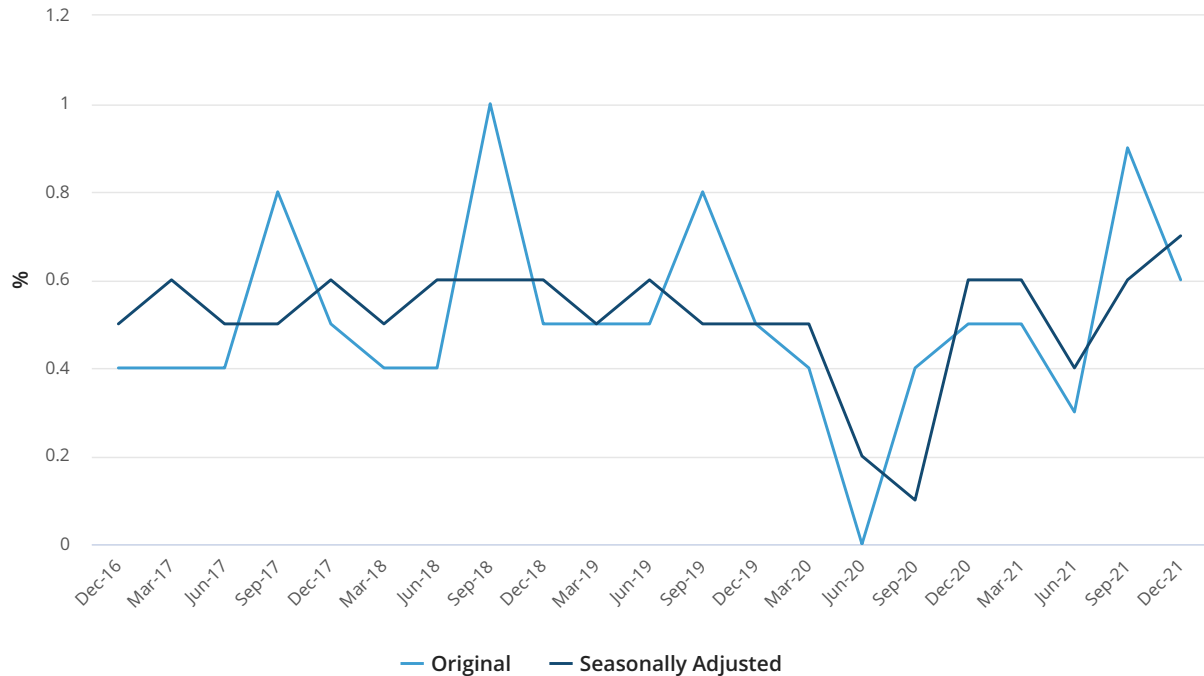
- Information about the WPI expenditure weights that have been updated in the December quarter 2021.

Overview

The proportion of jobs for which pay rises were reported over the December quarter was higher than usually seen at this time of year across both the private and public sectors. The implementation of the last phases of award updates, increases via state-based public sector enterprise agreements and a rising number of wage and salary reviews all contributed to a quarterly rise of 0.7% in wages.

The most significant industries to contribute to growth this quarter were the Health, care and social assistance (0.6%), Retail trade (1.2%) and Public administration and safety industries (0.7%).

Quarterly changes, total hourly rates of pay excluding bonuses

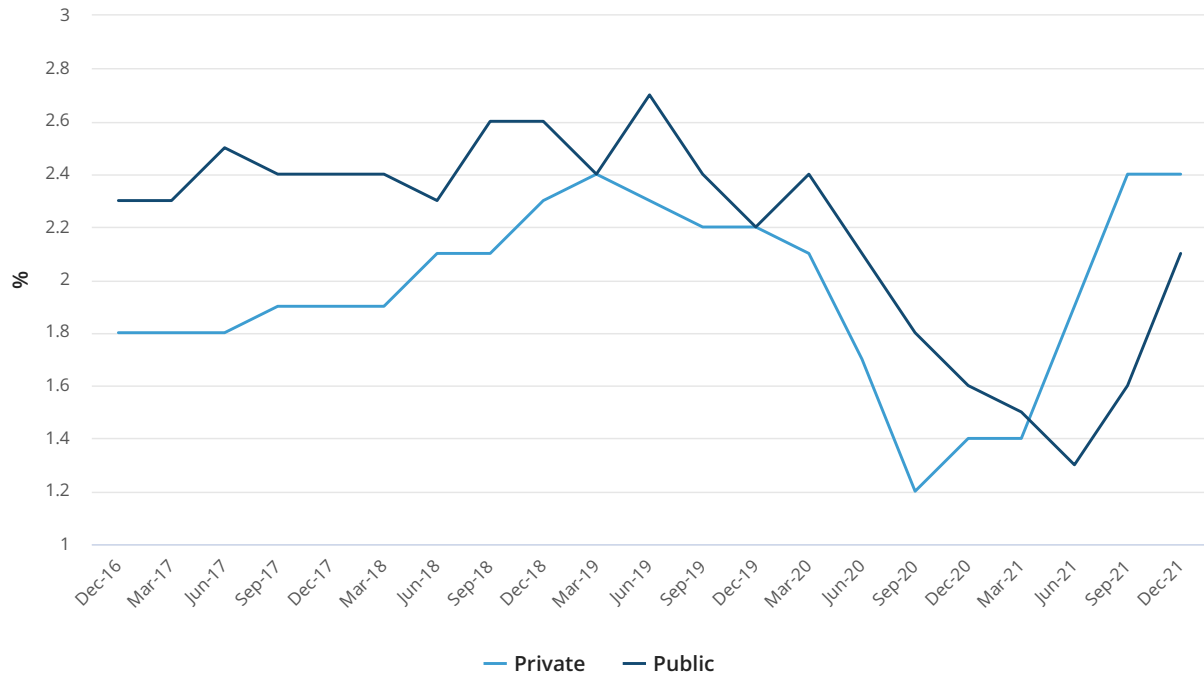


Sector wage growth

Private sector wage growth rose 2.4% through the year, maintaining the same rate of growth for the second consecutive quarter.

Public sector through the year growth rose 2.1%. This is the second increase in the growth rate since the series low of 1.3% recorded in June quarter 2021.

Annual wage growth by sector, seasonally adjusted



Private sector growth

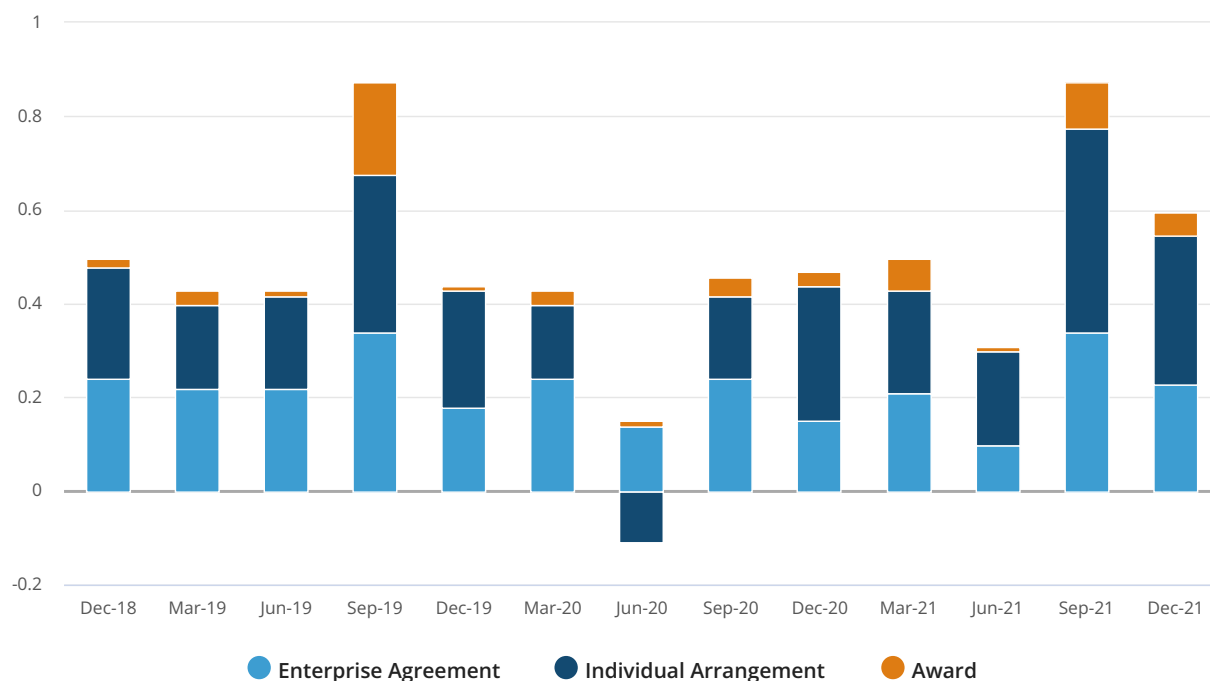
Private sector wages rose 0.7% in December quarter 2021. This quarter saw a greater proportion of award-based wage rises and employers returning to regular December timing for organisation wide annual wage and salary reviews. Sustained demand, previously visible in isolated pockets has started to extend across industry groups resulting in larger increases paid to attract or retain skilled staff.

Public sector growth

Wages grew 0.7% in the public sector, mostly due to large state government enterprise agreements returning to a regular schedule of pay rises in Queensland and New South Wales, after experiencing wage freezes over the last 18 months.

Drivers of wage growth

Contributions to wage price index, by method of setting pay



This quarter jobs covered by individual arrangement were driving a large portion of wage growth compared to historical December quarters. The contribution from this method of setting pay remains reactive to the labour market conditions, reflecting the return to regular timing for annual wage and salary reviews and expanding demand for skilled workers.

Jobs covered by enterprise agreements were mainly influenced by the return of regularly scheduled public sector agreements over the December quarter, following a period of wage freezes.

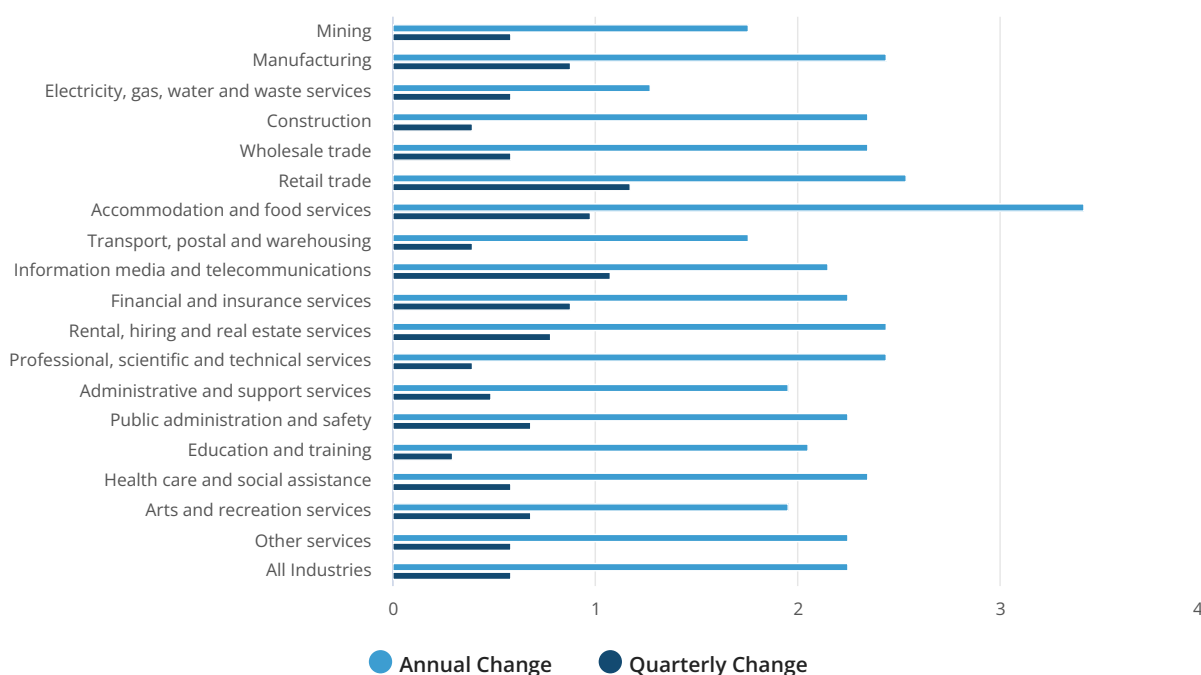
This quarter saw the final phase of award increases paid as scheduled in the 2020-21 Fair Work Commission's Annual Wage Review. The staggered approach to award rises has spread the contribution from jobs covered by an award over several quarters in the last two years.

Industry wage growth

Original estimates:

- Retail trade recorded the largest quarterly rise of any industry (1.2%), the highest rate for the industry since September quarter 2015.
- Education and training industry recorded the lowest rate of quarterly growth of 0.3% influenced by the expiry of several key enterprise agreements.
- Accommodation and food services industry recorded the highest rate of growth through the year at 3.5%, influenced by the payment of 2020 and 2021 Fair Work Commission annual wage increases in March and December quarters 2021 respectively.
- Electricity, gas, water and waste services industry recorded the lowest through the year wage growth (1.3%) for the second consecutive quarter.

Annual and quarterly changes, original, total hourly rates of pay excluding bonuses - industry

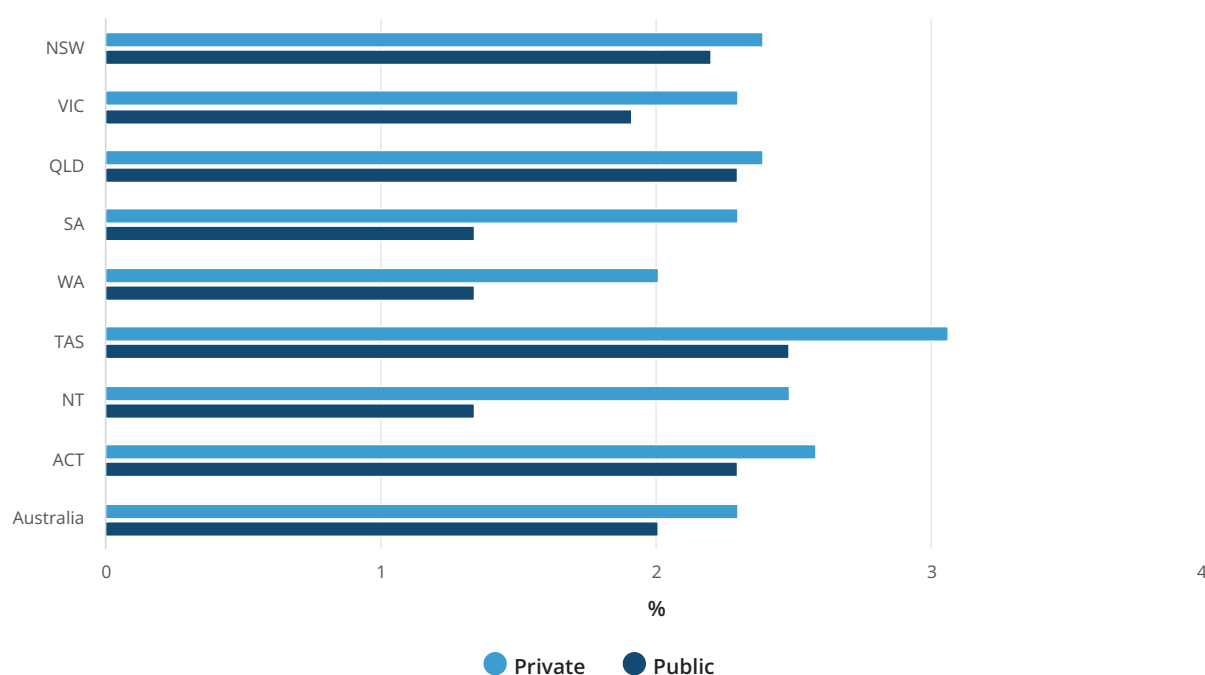


State and territory wage growth

Original estimates:

- Queensland recorded the highest quarterly rate of growth across Australia (0.8%).
- Victoria, South Australia, Western Australia and the Northern Territory all recorded the lowest quarterly growth of 0.5%.
- Tasmania continues to record the highest through the year rate of growth of 3.0%, the highest rate for the state since March quarter 2013.
- Western Australia recorded the lowest through the year rate of growth of 2.0%.

Annual change, original, total hourly rates of pay excluding bonuses - states and territories



Survey impacts and changes

Suspension of the trend series

The Wage Price Index trend series was suspended from June quarter 2020 until more certainty emerges in the underlying trend in labour market activity over the COVID-19 period.

Update on seasonal adjustment methods

In the lead up to the June 2020 Wage Price Index release, the ABS advised that the method used to produce seasonally adjusted estimates would change from the "concurrent" method to the "forward factors" method during the COVID-19 period. The forward factors approach is better suited to managing large movements at the end point of series and ensures that these large movements do not have a disproportionate influence on the seasonal factors.

Given the disruption to the labour market during the COVID-19 period and the continuing use of the forward factors method to seasonal adjustment, the ABS recently undertook an extensive annual review of its seasonally adjusted Wage Price Index series. This review followed similar reviews that are progressively being undertaken across the ABS economic statistics program, and the outcome for Wage Price Index was to continue using the forward factors method. Through this process static forward factors were calculated for the next 4 quarters and implemented in the June 2021 release.

Further information can be found in the ABS article published on 23 July 2020 ([Measuring the Wage Price Index during the COVID-19 pandemic \(/articles/methods-changes-during-covid-19-period\)](#)).

The seasonally adjusted Wage Price Index series will continue to use the forward factors method for the foreseeable future and are expected to return to using concurrent adjustment when the risk of disruption from COVID-19 becomes sufficiently low.

Update of WPI expenditure weights

The expenditure weights used to compile the WPI were updated in the December quarter 2021 using the expenditure on wages and salaries from the 2021 Survey of Employee Earnings and Hours. Further information on expenditure weights and the updating process are included within the Methodology section of this publication. The 2021 weights are available in the Appendix of this section.

Data downloads

Changes to Excel file format on the ABS website

In line with updating to more recent technology formats, the ABS will progressively transition to releasing Excel files in the .XLSX format. This means that timeseries

spreadsheets in the suite of prices statistics releases will be progressively upgraded from .XLS files to .XLSX files.

While this change will improve usability, it may also require changes to automated macros or similar programs that users may have in place that call on the current file extension format.

For Wage Price Index products, this change will take effect from the release of December data on 23 February 2022. Previously released data will not change.

I-Note

The wage price indexes in Tables 1, 2b, 3b, 4b, 5b, 7b, 8b and 9b are updated and released every quarter. The corresponding financial year wage price indexes in Tables 2a, 3a, 4a, 5a, 7a, 8a and 9a are updated and released each June quarter for the preceding financial year. There are no financial year indexes created for Table 1.

Time series spreadsheets

[⬇ Download all \(1.14 MB\)](#)

Table 1. Total hourly rates of pay excluding bonuses: sector, original, seasonally adjusted and trend

[⬇ Download XLSX](#)
[65.7 KB]

Table 2a. Total hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

[⬇ Download XLSX](#)
[51.09 KB]

Table 2b. Total hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

[⬇ Download XLSX](#)
[64.86 KB]

Table 3a. Total hourly rates of pay excluding bonuses: private sector by state, original (financial year index numbers for year ended June quarter)

[⬇ Download XLSX](#)
[51.1 KB]

Table 3b. Total hourly rates of pay excluding bonuses: private sector by state, original (quarterly index numbers)

[!\[\]\(50ba758255c5d7cec2761495a31c7c80_img.jpg\) Download XLSX](#)

[\[64.9 KB\]](#)

Table 4a. Total hourly rates of pay excluding bonuses: public sector by state, original (financial year index numbers for year ended June quarter)

[!\[\]\(99f58673407353e96a019fbca558fd72_img.jpg\) Download XLSX](#)

[\[51.13 KB\]](#)

Table 4b. Total hourly rates of pay excluding bonuses: public sector by state, original (quarterly index numbers)

[!\[\]\(a870788d6ed9b8fd294b7654a8c8526b_img.jpg\) Download XLSX](#)

[\[65.32 KB\]](#)

Table 5a. Total hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

[!\[\]\(6059a5aa8b4ca7bb793408023d6c6e42_img.jpg\) Download XLSX](#)

[\[75.12 KB\]](#)

Table 5b. Total hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

[!\[\]\(9c2e8d1b5bd77cb5c9f83b7a9cff79fd_img.jpg\) Download XLSX](#)

[\[142.65 KB\]](#)

Table 7a. Hourly rates of pay including bonuses: sector, original (financial year index numbers for year ended June quarter)

[!\[\]\(f1c5da15572e3e09d343161be98f508d_img.jpg\) Download XLSX](#)

[\[49.01 KB\]](#)

Table 7b. Hourly rates of pay including bonuses: sector, original (quarterly index numbers)

[!\[\]\(83bbbd261710c59db0214aa27b2edc0d_img.jpg\) Download XLSX](#)

[\[58.18 KB\]](#)

Table 8a. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

[!\[\]\(a73c1962d20a39dd8fd6a060ae69693f_img.jpg\) Download XLSX](#)

[\[51.09 KB\]](#)

Table 8b. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

[!\[\]\(066cb4a00c9d9f40edb6f87372ec6f08_img.jpg\) Download XLSX](#)

[\[64.96 KB\]](#)

Table 9a. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

[!\[\]\(26cddea01ddf7f002af4ba779c4999ee_img.jpg\) Download XLSX](#)

[\[75.05 KB\]](#)

Table 9b. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

↓ [Download XLSX](#)

[142.59 KB]

All WPI series: original (quarterly index numbers)

↓ [Download XLSX](#)

[135.02 KB]

All WPI Series: original (financial year index numbers for year ended June quarter)

↓ [Download XLSX](#)

[86.26 KB]

All time series spreadsheets

↓ [Download ZIP](#)

[1.14 MB]

Data cubes - 6345.0 Distribution of expenditure on wages, wage price index, Australia

↓ [Download XLSX](#)

[159.1 KB]

Create your own tables and visualisations with Data Explorer

Caution: Data in Data Explorer is currently released after the 11:30am release on the ABS website. Please check the reference period when using Data Explorer.

[Wage Price Index \(https://explore.data.abs.gov.au/vis?fs\[0\]=ABS%20Topics%2C1%7CECONOMY%23ECONOMY%23%7CPrice%20Indexes%20and%20Inflation%23PRICE_INDEX_INFLATION%23&pg=0&fc=ABS%20Topics&df\[ds\]=ABS_ABS_TOPICS&df\[id\]=WPI&df\[ag\]=ABS&df\[vs\]=1.0.0&pd=2020-Q1%2C2021-Q2&dq=.THRPEB..TOT..AUS.Q&ly\[cl\]=MEASURE&ly\[rw\]=TIME_PERIOD&ly\[rs\]=TSEST%2CSECTOR&lo=1\)](https://explore.data.abs.gov.au/vis?fs[0]=ABS%20Topics%2C1%7CECONOMY%23ECONOMY%23%7CPrice%20Indexes%20and%20Inflation%23PRICE_INDEX_INFLATION%23&pg=0&fc=ABS%20Topics&df[ds]=ABS_ABS_TOPICS&df[id]=WPI&df[ag]=ABS&df[vs]=1.0.0&pd=2020-Q1%2C2021-Q2&dq=.THRPEB..TOT..AUS.Q&ly[cl]=MEASURE&ly[rw]=TIME_PERIOD&ly[rs]=TSEST%2CSECTOR&lo=1))

For information on Data Explorer and how it works, see the [Data Explorer user guide \(/about/data-services/data-explorer/data-explorer-user-guide\)](/about/data-services/data-explorer/data-explorer-user-guide).

Previous catalogue number

This release previously used catalogue number 6345.0.

Using price indexes

Price indexes in contracts

Price indexes published by the Australian Bureau of Statistics (ABS) provide summary measures of the movements in various categories of prices over time. They are published primarily for use in Government economic analysis. Price indexes are also often used in contracts by businesses and government to adjust payments and/or charges to take account of changes in categories of prices (Indexation Clauses).

[Use of Price Indexes in Contracts \(https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Inflation+and+Price+Indexes+-+Use+of+Price+Indexes+in+Contracts\)](https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Inflation+and+Price+Indexes+-+Use+of+Price+Indexes+in+Contracts) sets out a range of issues that should be taken into account by parties considering the inclusion of an Indexation Clause within a contract utilising an ABS published price index.

Frequently asked questions

The [Wage Price Index FAQs \(https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Wage+Price+Indexes+FAQs\)](https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Wage+Price+Indexes+FAQs) page has answers to a number of common questions to do with price indexes and the Wage Price Index, in particular.

Methodology

[Wage Price Index, Australia methodology, December 2021](#)